

Millennium Challenge Corporation



NICARAGUA

Nicaragua was selected to participate in Millennium Challenge Account program in fiscal years 2004-2006.



General Information:

Population: 5,604,000

Location: Central America - bordering the Pacific Ocean on the West, the Caribbean Sea on the East, Honduras on the North, and Costa Rica on the South.

Capital City: Managua

Relative Size: slightly larger than the state of New York

Economic Statistics:

GNI Per Capita: \$790

Gross Domestic Product: \$4.3 billion

GDP Growth Rate: 4%

Compact Goal:

Nicaragua's MCA program is focused on creating a regional engine for economic growth by transforming the rural business sector in the northwest of the country into a high-value, sustainable corridor that is linked to regional and international markets.

Enrique Bolaños

President of Nicaragua

"On this occasion, our thanks go for new assistance in fighting poverty through a special investment of \$175 million, a grant through the program of the Millennium Challenge Account. This visionary program will play a pivotal role within the context of democracy, freedom, national security and trade. This new kind of assistance makes it clear that there is a shared commitment in the task of reducing poverty and creating prosperity and we are committed to this."

Expected Results:

The Compact will reduce poverty and spur economic growth by funding projects in the regions of León and Chinandega aimed at:

- Reducing transportation costs and improving access to markets for rural communities
- Increasing wages and profits from farming and related enterprises in the region
- Increasing investment by strengthening property rights

Update on Progress

- The MCC signed a five-year, \$175 million Compact with the Government of Nicaragua on July 14, 2005.
- Entry-into-Force and first disbursement are expected at the end of the first quarter of 2006.